

REGULAR MEETING OF THE WATER AND LIGHT COMMISSION

May 25, 2011

Draft

Commission President Allwardt called the Regular Meeting of the Water and Light Commission to order at 5:04 P.M., with Commissioners Bob Fahrbach, Joe Guidote, Don Merkes, and Joanne Roush present on roll call. Also present were Melanie Krause, Co-General Manager/Business Operations; Dick Sturm, Co-General Manager/Engineering and Operations; Steve Grenell, Project Engineer; Kristin Hubertus, Business Operations Accountant; Lonnie Pichler, Electric and Water Distribution Supervisor; Jerry Sturm, Water Plant Supervisor; and the Press.

Those absent were: Dave Rodriguez, Customer and Utility Services Manager; John Teale, Technical Services Engineer; and Mark Albert, Energy Services Representative.

Item II. No one from the Gallery was heard on any topic of public concern to the Utility.

Item III. Motion made by Comm. Fahrbach, seconded by Comm. Guidote, was unanimous on roll call to approve the following:

- A. Minutes of the Regular Meeting of April 27, 2011.
- B. Minutes of the Closed Sessions of May 16, 2008; June 9, 2008; June 18, 2008; July 31, 2008; Sept. 24, 2008; Oct. 22, 2008; Oct. 28, 2008, Oct. 29, 2008, Nov. 7, 2008; Nov. 13, 2008; Nov. 19, 2008; Dec. 1, 2008; Dec. 7, 2008; Dec. 29, 2008; Feb. 25, 2009; March 25, 2009; April 23, 2009; May 27, 2009; June 9, 2009; and June 24, 2009, all concerning Steam Contracts.
- C. Approve and warrant payments summarized by checks dated May 5 - 25, 2011, which includes Net Payroll Voucher Checks, Void O & M Checks 041614 & 041615, and Operation and Maintenance Voucher Checks for a total of \$809,266.23, and Operation and Maintenance Vouchers and Rebates to be paid prior to the next Regular Meeting. Motion approved unanimously on roll call.
- D. Correspondence, as listed.
 - Copy of memorandum dated April 28 to City of Menasha Common Council, from Mayor Merkes, re: Utility Commission Appointment
 - Copy of memorandum dated April 28 to City of Menasha Common Council, from Mayor Merkes, re: Greenwood Fuels
 - Copy of letter dated April 29 to Sandra Paske, Public Service Commission, from Co-General Manager Sturm, re: WE Energies Boundary Agreement
 - Copy of memorandum dated May 9 to Wisconsin Legislators, from MEUW, WRWA, and MEG-Water/Wastewater, re: LRB 1393/1

Item IV. April Financial and Operations Statement ó Business Operations Accountant Hubertus highlighted various items on electric, water, and fiber. The new electric rates were effective April 6 and the increase is reflected in revenue dollars on the income statement. Usage decreases were noticed for Calder Stadium and Koslo Park and they are being investigated. On the cash flow statement, the WPPI lease agreement payment has been added.

On the water statements, the Water Distribution Department has been working on the leak detection program resulting in the month to date loss being reduced to 2.7%. On the water cash flow the balance is a negative \$8,000 for the year, and staff is looking at what additional projects can be deferred to make sure there is not a short fall. A water utility reserve cash flow spreadsheet has been added showing how various projects will be funded.

On the telecommunications statements, we are still carrying forward the fire station project out to future months for recognizing the contributions and capital for plant.

After discussion, the Commission accepted the April Financial and Operations Statement as presented.

Item V. Claims Against The Utility ó there were no claims discussed at this meeting.

Item VI. Purchase Orders over \$10,000.00 issued since the last Commission meeting were presented for informational purposes.

Action on the purchase order related to the tap changer at Tayco Substation will be taken later in the meeting.

Item VII. Unfinished Business ó there was no Unfinished Business discussed at this meeting.

Item VIII. New Business, MEUW Annual Meeting ó Co-General Manager/Engineering and Operations Dick Sturm reviewed the agenda for the June 9 meeting which focuses on topics for decision makers and policy makers. The deadline for registration is June 1.

Draft Emergency Water Supply Agreement ó Mr. Dick Sturm reported this agreement would be a safety back-stop for either community in an emergency situation. The City Attorney has reviewed the draft agreement and recommends the addition of an indemnification and hold harmless clause. The interconnections were flow tested this past week and all valves worked.

There was discussion regarding emergency procedures for curtailment if it would become necessary and they could be added to the Emergency Response Plan.

The motion by Comm. Guidote, seconded by Comm. Fahrbach, was unanimous on roll call to approve the draft Emergency Water Supply Agreement with the indemnification provision provided by the City Attorney to be included.

Soda Ash Inventory ó Co-General Manager/Business Operations Krause stated the financial statements included comments on chemical costs for the month, and part was contributed to the soda ash adjustment. A history of the soda ash usage and calculation was included in the packet along with measures put in place to prevent major problems.

Water Plant Supervisor Jerry Sturm reported a load of off spec soda ash had been delivered, and the vendor is covering 100% of the additional costs to the utility for its disposal. Check lists have been put in place for every chemical that is delivered to the Water Plant.

Attorney Palmer Relocation & Withdrawal from DeWitt Ross & Stevens SC ó Mr. Dick Sturm reported Attorney Todd Palmer has been the lead attorney in the environmental litigation, and he has made the decision to relocate his practice to another law firm. Due to his work knowledge and contribution to our case, staff is recommending staying with Attorney Palmer until the litigation is resolved. This change will not affect the rate for the work that is progress, and there is no cost to the Utility to transfer records.

The motion by Comm. Fahrbach, seconded by Comm. Roush, was unanimously approved to have Attorney Todd Palmer continue handling the legal work concerning the environmental litigation.

Water Leak Summary ó Electric and Water Distribution Supervisor Pichler summarized the information included in the packet. The Airport and Greenwood Drive location has an estimated loss of 1,750,000 not 17,500,000 as listed. The leak at 821 Grove has also been repaired. The leak detection program has been very successful to date. The listening device is also used during hydrant flushing.

Tayco Substation Tap Changer ó Project Engineer Grenell gave an update on the tap changer oil analysis at the Tayco Substation which indicated very high combustible gas content. A detailed inspection revealed heavy coking due to high resistance in the contacts. In addition, pitting and wear indicated that replacement is necessary to make it reliable and put it back in service.

After discussion, the motion by Comm. Roush, seconded by Comm. Fahrbach, was unanimous on roll call to approve Purchase Order 7070 to Normandy Machine, in the amount of \$18,143.00 for the complete contact kit for the tap changer at the Tayco Substation.

Item IX. Project Reports, Bondholder Settlement and WPPI Energy Transaction ó Mrs. Krause stated there is nothing new to report on the bondholder settlement. Staff is finalizing journal entries and legal documents related to the transaction to file with the Public Service Commission. There has been no EPA activity since the last meeting, and the Commission requested a status report for the June meeting.

Item X. Staff Reports, Co-General Manager/Engineering and Operations ó there were no additional questions to the report presented.

Electric and Water Distribution/Safety Report ó Mr. Pichler added the tree trimming and induction lighting projects have been completed. He also suggested the City may want to investigate the installation of an electric vehicle charging station(s) in the future.

Water Plant ó Mr. Jerry Sturm added the water plant is in summer operations mode.

Mike King, Post Crescent, departed at 6:20 pm.

Project Engineer ó there were no additional questions to the report presented.

Telecommunications & Substations ó Mrs. Krause stated staff is exploring a fiber extension, obtaining costs, and reviewing contracts. This item will be brought back to the Commission.

Co-General Manager/Business Operations, Customer and Utility Services, and Energy Services Representative/Key Accounts ó there were no additional questions to the reports presented.

Item XI. No one from the Gallery was heard on any items discussed at this Meeting.

Item XII. The motion by Comm. Merkes, seconded by Comm. Roush, was unanimously approved on roll call to adjourn at 6:30 p.m.

By: MARK L. ALLWARDT
President

JOSEPH P. GUIDOTE
Secretary

NOTE: THESE MINUTES ARE NOT TO BE CONSIDERED OFFICIAL UNTIL ACTED UPON AT THE NEXT REGULAR MEETING, THEREFORE, ARE SUBJECT TO REVISION.